Declassified/Released US Department of State EO Systematic Review 30 JUN 2005

Message Text

SECRET

PAGE 01 THE HA 00809 150159Z

40
ACTION SS-20

INFO OCT-01 ARA-16 EUR-25 ISO-00 EB-11 NSC-10 OPIC-12

GSA-02 INT-08 TRSE-00 L-03 SPC-03 PRS-01 CIAE-00

INR-10 NSAE-00 RSC-01 SAM-01 AID-20 CIEP-02 OMB-01

DRC-01 NSCE-00 (ISO) W
---------- 070883
R 141516Z FEB 74
FM AOEMBASSY THE HAGUE
TO SECSTATE WASHDC 2963
INFO OSD/ISA
DEPT OF COMMERCE
AMCONSUL PARAMARIBO

S E C R E T THE HAGUE 809

DEPT FOR UNDER SECRETARY DONALDSON

DEPT PASS WHITE HOUSE FOR FLANIGAN

OSD/ISA FOR BERGOLD

COMMERCE FOR ASST SECRETARY DOBBIN

E.O. 11652: GDS
TAGS: PINT, NS, NL, EMIN, ETRD
SUBJECT: SURINAM'S BAUXITE

REF: A. STATE 016758
B. HAGUE 0465

SUMMARY: THE PURPOSE OF THIS MESSAGE IS TO FOCUS ATTENTION ON THE FACT THAT AMERICAN ACCESS TO SURINAM BAUXITE WILL BE JEOPARDIZED IF TRENDS WHICH ARE PRESENTLY IN MOTION CONTINUE UNCHANGED. THE USG'S ABILITY TO INFLUENCE THESE TRENDS MAY BE GREATER AT THIS PARTICULAR JUNCTURE THAN FOR SOME TIME TO
SECRET

SECRET

PAGE 02 THE HA 00809 150159Z

COME. CERTAIN POLICY SUGGESTIONS ARE OUTLINED.

Declassified/Released US Department of State EO Systematic Review 30 JUN 2005

Declassified/Released US Department of State EO Systematic Review 30 JUN 2005

END SUMMARY.

1. WE WOULD LIKE TO DRAW ATTENTION TO FACTORS WHICH

IN FORESEEABLE FUTURE COULD PLACE IN JEOPARDY CONTINUED US ACCESS TO SURINAM'S BAUXITE ON TERMS WE PRESENTLY ENJOY. SURINAM PRESENTLY PRODUCES IN EXCESS OF 6 MILLION TONS OF BAUXITE WHICH IS 10 PERCENT OF WORLD PRODUCTION.

2. THE DUTCH LABOR PARTY WHICH DOMINATES THIS COUNTRY'S PRESENT LEFT ORIENTED COALITION GOVERNMENT IS COMMITTED TO INDEPENDENCE FOR SURINAM (AND THE NETHS ANTILLES) BY 1976 AS THESE VESTIGES OF COLONIAL ROLE ARE ANATHEMA TO DUTCH LEFT. MINISTER RESPONSIBLE FOR REALM AFFAIRS IS MODERATE, EXPERIENCED SENIOR STATESMAN, WHO ALSO FAVORS INDEPENDENCE, SUBJECT TO SATISFACTORY AGREEMENT BEING REACHED AMONG PARTIES AND CERTAIN TIES BEING MAINTAINED WITH NETHERLANDS. EXPERT DUTCH FOREIGN MINISTRY OPINION HAS BEEN THAT INDEPENDENCE IS 2 TO 4 YEARS OFF. FEB 20-26 VISIT TO SURINAM OF PRIME MINISTER DEN UYL COULD FOCUS ATTENTION THROUGHOUT REALM ON QUESTION OF INDEPENDENCE. HE MAY BE INCLINED TO ISSUE A PRONOUNCEMENT ON HIS RETURN CALLING FOR ACCELERATION OF SEVERANCE SCHEDULE.

3. RECENT ELECTIONS IN SURINAM HAVE BROUGHT TO POWER COALITION GOVT DOMINATED BY LEFT-WING PARTY WHOSE PROGRAM INCLUDES IMMEDIATE INDEPENDENCE AND EXPROPRIATION OF KEY, ESPECIALLY EXTRACTIVE: INDUSTRIES. LATTER OBJECTIVE WOULD APPEAR TO CONSTITUTE CLEAR THREAT TO SURALCO (ALCOA) AND BILLITON (SHELL) ALUMINUM OPERATIONS, AMONG OTHERS.

4. IT IS NO SECRET THAT AT MARCH 1 CONAKRY CONFERENCE OF BAUXITE PRODUCERS THE CONCEPT OF INTRODUCING AN OPEC-TYPE PRICE/SUPPLY SQUEEZE ON BAUXITE CONSUMERS WILL SURFACE. THE GON IS CONCERNED ABOUT THIS POSSIBILITY (REF B).

SECRET

5. TO SUMMARIZE: THE GON IS COMMITTED TO INDEPENDENCE FOR SURINAM WITHIN 2 YEARS; THE SURINAM GOVT IS COMMITTED TO IMMEDIATE INDEPENDENCE AND NATIONALI-

ZATION OF THE BAUXITE INDUSTRIES. IT IS REASONABLE TO EXPECT THAT WITHIN 2 YEARS OR LESS THE SURINAM BAUXITE INDUSTRY WILL BE NATIONALIZED UNLESS THESE POLICIES CHANGE.

Declassified/Released US Department of State EO Systematic Review 30 JUN 2005

Declassified/Released US Department of State EO Systematic Review 30 JUN 2005

6. VARIOUS POSSIBILITIES EXIST WHEREBY THESE TRENDS
COULD BE INFLUENCED. FIRST, THE GON COULD BE ENCOURAGED
TO DELAY GRANTING SURINAM ITS INDEPENDENCE AT LEAST
UNTIL SUCH TIME AS A SURINAM GOVERNMENT MORE FAVORABLE TO US
INTERESTS EMERGES. WE DOUBT THAT THE GON, BECAUSE OF
PRESSURE FROM ITS LEFT WINGERS, WOULD FEEL IN A
POSITION TO STALL VERY LONG ON INDEPENDENCE. SECOND,
THE GON COULD BE ENCOURAGED TO OBTAIN FROM THE GOS A
COMMITMENT AGAINST EXPROPRIATION AS A CONDITION TOWARDS
OBTAINING IMMEDIATE INDEPENDENCE. IN THIS REGARD IT
SHOULD BE BORNE IN MIND THAT THE GON HAS JUST HAD THE
UNHAPPY EXPERIENCE OF WATCHING SHELL INTERESTS BEING
TAKEN OVER IN IRAQ. FOR THIS REASON PARTICULARLY SUCH
AN APPROACH MIGHT BE FRUITFUL. THIRD, THE US COULD,
AFTER CONSULTATION AND COORDINATION WITH THE GON,
APPROACH THE GOS NOW AND, IN EXCHANGE FOR A COMMITMENT
AGAINST EXPROPRIATION, OFFER SURINAM A PACKAGE OF
DEVELOPMENTAL AID THAT WOULD INCLUDE FINANCIAL, TECH-
NICAL AND OTHER FORMS OF ASSISTANCE INCLUDING SUCH
FIELDS AS AGRICULTURE, FORESTRY, PUBLIC SAFETY,
EDUCATION AND HEALTH. THE GON WOULD PROBABLY SUPPORT
SUCH A MOVE BUT WE WOULD DEFER TO PARAMARIBO ON THE
GOS'S LIKELY REACTION. FORTH, AND PERHAPS MOST
ADVANTAGEOUS, ALTERNATIVE WOULD BE TO CONDUCT JOINT
US/DUTCH PROGRAM OF ECONOMIC AND TECHNICAL ASSISTANCE
ENTAILING MUTUAL COMMITMENTS AMONG ALL THREE PARTICI-
PANTS. THESE COMMITMENTS WOULD PROMOTE TERRITORIAL
INTEGRITY AND ECONOMIC DEVELOPMENT OF SURINAM IN
RETURN FOR GUARANTEED ROLE OF PRIVATE INVESTMENT TO
SHARE IN DEVELOPMENT OF SURINAM UNDER MUTUALLY AGREED
CODE OF CORPORATE CONDUCT. THIS WOULD HAVE MERIT OF
PROLONGING CONSTRUCTIVE DUTCH PRESENCE IN REGION
AND MIGHT SET PATTERN FOR TREATMENT OF NETHERLANDS
SECRET

SECRET

ANTILLES.

7. OBVIOUSLY OTHER POSSIBILITIES EXIST AND WE DO NOT
SUGGEST WHAT POLICY SHOULD BE ADOPTED. BUT IT DOES
SEEM TO US IMPORTANT THAT A POLICY BE ADOPTED NOW SO
THAT THE US CAN INFLUENCE EVENTS AFFECTING ACCESS TO
SURINAM'S BAUXITE.
GOULD

SECRET

Declassified/Released US Department of State EO Systematic Review 30 JUN 2005

Declassified/Released US Department of State EO Systematic Review 30 JUN 2005

NNN

Declassified/Released US Department of State EO Systematic Review 30 JUN 2005

Declassified/Released US Department of State EO Systematic Review 30 JUN 2005

Message Attributes

Automatic Decaptioning: X
Capture Date: 01 JAN 1994
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: BAUXITE, COALITION GOVERNMENT, INDEPENDENCE, NATIONALIZATION, MINING INDUSTRY, FOREIGN ASSISTANCE, FOREIGN POLICY POSITION
Control Number: n/a
Copy: SINGLE
Draft Date: 14 FEB 1974
Decaption Date: 01 JAN 1960
Decaption Note:
Disposition Action: RELEASED
Disposition Approved on Date:
Disposition Authority: golinofr
Disposition Case Number: n/a
Disposition Comment: 25 YEAR REVIEW
Disposition Date: 28 MAY 2004
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
Document Number: 1974THEHA00809
Document Source: CORE
Document Unique ID: 00
Drafter: n/a
Enclosure: n/a
Executive Order: GS
Errors: N/A
Film Number: n/a
From: THE HAGUE
Handling Restrictions: n/a
Image Path:
ISecure: 1
Legacy Key: link1974/newtext/t19740231/aaaabdaa.tel
Line Count: 162
Locator: TEXT ON-LINE
Office: ACTION SS
Original Classification: SECRET
Original Handling Restrictions: n/a
Original Previous Classification: n/a
Original Previous Handling Restrictions: n/a
Page Count: 3
Previous Channel Indicators:
Previous Classification: SECRET
Previous Handling Restrictions: n/a
Reference: A. STATE 016758
Review Action: RELEASED, APPROVED
Review Authority: golinofr
Review Comment: n/a
Review Content Flags:
Review Date: 22 MAY 2002
Review Event:
Review Exemptions: n/a
Review History: RELEASED <22 MAY 2002 by boyleja>; APPROVED <14 JAN 2003 by golinofr>
Review Markings:

Declassified/Released
US Department of State
EO Systematic Review
30 JUN 2005

Review Media Identifier:
Review Referrals: n/a
Review Release Date: n/a
Review Release Event: n/a
Review Transfer Date:
Review Withdrawn Fields: n/a
Secure: OPEN
Status: NATIVE
Subject: SURINAM'S BAUXITE
TAGS: PINT, EMIN, ETRD, NS, NL, US, NA
To: STATE
Type: TE
Markings: Declassified/Released US Department of State EO Systematic Review 30 JUN 2005

Declassified/Released US Department of State EO Systematic Review 30 JUN 2005